

AMENDED IN SENATE AUGUST 25, 2011

AMENDED IN SENATE JULY 12, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 512

Introduced by Assembly Member Gordon

February 15, 2011

An act to amend Section 2830 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 512, as amended, Gordon. Local government renewable energy self-generation program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account. Existing law establishes the responsibilities of the affected electrical corporation to which the facility is interconnected. An eligible renewable generating facility for the purposes of these provisions is limited to a facility that has a generating capacity of no more than one megawatt. These provisions are known as the Local Government Renewable Energy Self-Generation Program.

This bill would expand the definition of an eligible renewable generating facility for the purposes of the program to include a facility that has a generating capacity of no more than 5 megawatts. The bill

would prohibit an electrical corporation from being required to compensate a local government for electricity generated from a facility in excess of the bill credits applied to the designated benefiting account. The bill would prohibit a local government *renewable generation facility participating in the program* from being eligible for any other tariff or program that requires an electrical corporation to purchase generation from ~~an eligible renewable generating~~ *that facility while* participating in the program. The bill would exempt an electrical corporation with 60,000 or fewer customer accounts from the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2830 of the Public Utilities Code is
2 amended to read:
3 2830. (a) As used in this section, the following terms have the
4 following meanings:
5 (1) “Benefiting account” means an electricity account, or more
6 than one account, located within the geographical boundaries of
7 a local government or, for a campus, within the geographical
8 boundary of the city, county, or city and county in which the
9 campus is located, that is mutually agreed upon by the local
10 government or campus and an electrical corporation.
11 (2) “Bill credit” means an amount of money credited to a
12 benefiting account that is calculated based upon the time-of-use
13 electricity generation component of the electricity usage charge
14 of the generating account, multiplied by the quantities of electricity
15 generated by an eligible renewable generating facility that are
16 exported to the grid during the corresponding time period.
17 Electricity is exported to the grid if it is generated by an eligible
18 renewable generating facility, is not utilized onsite by the local
19 government, and the electricity flows through the meter site and
20 on to the electrical corporation’s distribution or transmission
21 infrastructure.
22 (3) “Campus” means an individual community college campus,
23 individual California State University campus, or individual
24 University of California campus.
25 (4) “Eligible renewable generating facility” means a generation
26 facility that meets all of the following requirements:

1 (A) Has a generating capacity of no more than five megawatts.

2 (B) Is an eligible renewable energy resource, as defined in
3 Article 16 (commencing with Section 399.11) of Part 1.

4 (C) Is located within the geographical boundary of the local
5 government or, for a campus, within the geographical boundary
6 of the city or city and county, if the campus is located in an
7 incorporated area, or county, if the campus is located in an
8 unincorporated area.

9 (D) Is owned by, operated by, or on property under the control
10 of, the local government or campus.

11 (E) Is sized to offset all or part of the electrical load of the
12 benefiting account. For these purposes, premises that are leased
13 by a local government or campus are under the control of the local
14 government or campus.

15 (5) "Generating account" means the time-of-use electric service
16 account of the local government or campus where the eligible
17 renewable generating facility is located.

18 (6) "Local government" means a city, county, whether general
19 law or chartered, city and county, special district, school district,
20 political subdivision, or other local public agency, but shall not
21 mean a joint powers authority, the state or any agency or
22 department of the state, other than an individual campus of the
23 University of California or the California State University.

24 (b) Subject to the limitation in subdivision (h), a local
25 government may elect to receive electric service pursuant to this
26 section, if all of the following conditions are met:

27 (1) The local government designates one or more benefiting
28 accounts to receive a bill credit.

29 (2) A benefiting account receives service under a time-of-use
30 rate schedule.

31 (3) The benefiting account is the responsibility of, and serves
32 property that is owned, operated, or on property under the control
33 of the same local government that owns, operates, or controls the
34 eligible renewable generating facility.

35 (4) The electrical output of the eligible renewable generating
36 facility is metered for time of use to allow calculation of the bill
37 credit based upon when the electricity is exported to the grid.

38 (5) All costs associated with the metering requirements of
39 paragraphs (2) and (4) are the responsibility of the local
40 government.

(6) All costs associated with interconnection are the responsibility of the local government. For purposes of this paragraph, “interconnection” has the same meaning as defined in Section 2803, except that it applies to the interconnection of an eligible renewable generating facility rather than the energy source of a private energy producer.

(7) The local government does not sell electricity exported to the electrical grid to a third party.

(8) All electricity exported to the grid by the local government that is generated by the eligible renewable generating facility becomes the property of the electrical corporation to which the facility is interconnected, but shall not be counted toward the electrical corporation’s total retail sales for purposes of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1. Ownership of the renewable energy credits, as defined in Section 399.12, shall be the same as the ownership of the renewable energy credits associated with electricity that is net metered pursuant to Section 2827.

(9) An electrical corporation shall not be required to compensate a local government for electricity generated from an eligible renewable facility *pursuant to this section* in excess of the bill credits applied to the designated benefiting account. A local government *renewable generation facility participating pursuant to this section* shall not be eligible for any other tariff or program that requires an electrical corporation to purchase generation from ~~an eligible renewable generating facility that facility while~~ participating in the local government renewable energy self-generation program pursuant to this section.

(c) (1) A benefiting account shall be billed for all electricity usage, and for each bill component, at the rate schedule applicable to the benefiting account, including any cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity, pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(2) The bill shall then subtract the bill credit applicable to the benefiting account. The generation component credited to the benefiting account shall not include the cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for

1 purchases of electricity, pursuant to Division 27 (commencing
2 with Section 80000) of the Water Code. The electrical corporation
3 shall ensure that the local government receives the full bill credit.

4 (3) If, during the billing cycle, the generation component of the
5 electricity usage charges exceeds the bill credit, the benefiting
6 account shall be billed for the difference.

7 (4) If, during the billing cycle, the bill credit applied pursuant
8 to paragraph (2) exceeds the generation component of the electricity
9 usage charges, the difference shall be carried forward as a financial
10 credit to the next billing cycle.

11 (5) After the electricity usage charge pursuant to paragraph (1)
12 and the credit pursuant to paragraph (2) are determined for the last
13 billing cycle of a 12-month period, any remaining credit resulting
14 from the application of this section shall be reset to zero.

15 (d) The commission shall ensure that the transfer of a bill credit
16 to a benefiting account does not result in a shifting of costs to
17 bundled service subscribers. The costs associated with the transfer
18 of a bill credit shall include all billing-related expenses.

19 (e) Not more frequently than once per year, and upon providing
20 the electrical corporation with a minimum of 60 days' notice, the
21 local government may elect to change a benefiting account. Any
22 credit resulting from the application of this section earned prior to
23 the change in a benefiting account that has not been used as of the
24 date of the change in the benefiting account, shall be applied, and
25 may only be applied, to a benefiting account as changed.

26 (f) A local government shall provide the electrical corporation
27 to which the eligible renewable generating facility will be
28 interconnected with not less than 60 days' notice prior to the
29 eligible renewable generating facility becoming operational. The
30 electrical corporation shall file an advice letter with the commission
31 that complies with this section not later than 30 days after receipt
32 of the notice, proposing a rate tariff for a benefiting account. The
33 commission, within 30 days of the date of filing, shall approve the
34 proposed tariff or specify conforming changes to be made by the
35 electrical corporation to be filed in a new advice letter.

36 (g) The local government may terminate its election pursuant
37 to subdivision (b), upon providing the electrical corporation with
38 a minimum of 60 days' notice. Should the local government sell
39 its interest in the eligible renewable generating facility, or sell the
40 electricity generated by the eligible renewable generating facility,

1 in a manner other than required by this section, upon the date of
2 either event, and the earliest date if both events occur, no further
3 bill credit pursuant to paragraph (3) of subdivision (b) may be
4 earned. Only credit earned prior to that date shall be made to a
5 benefiting account.

6 (h) An electrical corporation is not obligated to provide a bill
7 credit to a benefiting account that is not designated by a local
8 government prior to the point in time that the combined statewide
9 cumulative rated generating capacity of all eligible renewable
10 generating facilities within the service territories of the state's
11 three largest electrical corporations reaches 250 megawatts. Only
12 those eligible renewable generating facilities that are providing
13 bill credits to benefiting accounts pursuant to this section shall
14 count toward reaching this 250-megawatt limitation. Each electrical
15 corporation shall only be required to offer service or contracts
16 under this section until that electrical corporation reaches its
17 proportionate share of the 250-megawatt limitation based on the
18 ratio of its peak demand to the total statewide peak demand of all
19 electrical corporations.

20 (i) This chapter does not apply to an electrical corporation with
21 60,000 or fewer customer accounts.